

Message Text

UNCLASSIFIED

PAGE 01 KUALA 03985 130443Z

20

ACTION EA-09

INFO OCT-01 ISO-00 SP-02 USIA-15 AID-05 EB-07 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04

SIL-01 L-03 H-02 DODE-00 PA-02 PRS-01 PM-04 AGR-10

/112 W

----- 117399

R 130203Z JUL 76

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 3955

INFO AMEMBASSY SINGAPORE

UNCLAS KUALA LUMPUR 3985

E.O. 11652: N/A

TAGS: ECON, EINV, EGEN, MY

SUBJECT: PRIME MINISTER OUTLINES PARAMETERS OF THIRD MALAYSIA
PLAN 1976-80

1. SUMMARY: THIS MESSAGE REPORTS THE HIGHLIGHTS OF THIRD MALAYSIA PLAN AS OUTLINED BY PM HUSSEIN ONN. RESTRUCTURING OF SOCIETY IN ACCORDANCE WITH NEW ECONOMIC POLICY IS SUSTAINED BUT GREATER EMPHASIS IS PLACED ON ERADICATION OF RURAL AND URBAN POVERTY, IRRESPECTIVE OF RACE. HIGHER PRIORITY GIVEN TO LESS DEVELOPED STATES. MAJOR ROLE OF PRIVATE SECTOR IS CRITICAL TO SUCCESS. END SUMMARY

2. PM HUSSEIN ONN OUTLINED PARAMETERS OF THIRD MALAYSIA PLAN (TMP) 1976-80, AT PRESS CONFERENCE JULY 9, AS FOLLOWS: TOTAL FINANCIAL OUTLAY M\$45.3 BILLION, OF WHICH PUBLIC SECTOR M\$18.5 BILLION AND PRIVATE SECTOR M\$26.8 BILLION. PUBLIC SECTOR EXPENDITURE TARGET IS NINETY PERCENT HIGHER THAN AMOUNT SPENT UNDER SECOND MALAYSIA PLAN. PLAN CALLS FOR ANNUAL GNP GROWTH OF 8.5 PERCENT IN REAL TERMS VS. 7.4 PERCENT UNDER SECOND MALAYSIA PLAN, FOR "STRONGEST
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 KUALA 03985 130443Z

GROWTH IN PER CAPITA INCOMES" AND FOR CREATION OF

743,000 NEW JOBS (83 PERCENT IN MANUFACTURING AND SERVICES, 17 PERCENT IN AGRICULTURE) WHICH EXPECTED REDUCE UNEMPLOYMENT FROM 7 PERCENT IN 1975 TO 6.1 PERCENT IN 1980.

3. PRINCIPAL "THRUST" OF TMP WILL BE ERADICATION OF POVERTY, BOTH RURAL AND URBAN. IN RURAL AREAS BY INCREASED PRODUCTIVITY, EXPANDED JOB OPPORTUNITIES THROUGH NEW LAND DEVELOPMENT, ESTABLISHMENT OF NEW GROWTH CENTERS AND ABSORPTION OF EXCESS LABOR INTO OTHER SECTORS. IN URBAN AREAS, BY CREATING JOBS IN NON-AGRICULTURAL SECTORS AND BY PROVISION OF HOUSING AND OTHER SOCIAL AMENITIES.

4. RESTRUCTURING OF SOCIETY IN ALL ITS SOCIO-ECONOMIC DIMENSIONS WILL BE SUSTAINED IN CONTEXT OF RAPID ECONOMIC GROWTH. "IN PROCESS, HOWEVER, GOVERNMENT STANDS READY TO TAKE SUCH ACTION AS MAY BE NECESSARY TO ENSURE THAT NO PARTICULAR GROUP, LOCAL OR FOREIGN, WILL EXPERIENCE ANY LOSS OR FEEL ANY SENSE OF DEPRIVATION."

5. OTHER MAJOR TMP OBJECTIVES ARE: IMPROVE QUALITY OF LIFE OF ALL MALAYSIANS, INCREASE EMPLOYMENT OF MALAYS IN MINING, MANUFACTURING AND CONSTRUCTION AND INTAKE OF OTHER MALAYSIANS IN MODERN AGRICULTURE AND SERVICES TO REFLECT RACIAL COMPOSITION OF POPULATION, INCREASE MALAY SHARE OF OWNERSHIP OF PRODUCTIVE ASSETS WEALTH TO 30 PERCENT BY 1990 WITH OTHER MALAYSIANS OWNING 40 PERCENT, ASSIST GROWTH OF MALAY ENTREPRENEURSHIP, ENCOURAGE AND SUPPORT DOMESTIC AND FOREIGN PRIVATE INVESTMENT, PROMOTE FURTHER UTILIZATION OF COUNTRY'S HUMAN AND NATURAL RESOURCES, AND EXPAND SOCIAL AND PHYSICAL INFRASTRUCTURE.

6. RE SECURITY, PM SAID WITH RE-EMERGENCE OF COMMUNISM, "MILITARY OR OTHERWISE", MALAYSIA FACING INCREASED TERRORIST ACTIVITY WHICH IS THREATENING NATIONAL SECURITY AND THAT "GOVERNMENT WILL GIVE TOP-MOST PRIORITY TO DEAL WITH THESE THREATS AS THEY CAN AFFECT THE VERY FOUNDATIONS OF THE LIVES AND IDEALS OF ALL MALAYSIANS WHO CHERISH A FREE AND DEMOCRATIC WAY OF LIFE."

7. PM CHARACTERIZED PROSPECTS FOR ACCELERATED ECONOMIC UNCLASSIFIED

UNCLASSIFIED

PAGE 03 KUALA 03985 130443Z

AND SOCIAL DEVELOPMENT AS "BRIGHT". HE SAID "WE FORESEE NO MAJOR DIFFICULTIES IN MOBILIZING THE REQUISITE FUNDS FOR FINANCING THE PROGRAMMES OF THE PUBLIC AND PRIVATE SECTORS."

8. TMP ADDRESSES NEED TO ACCELERATE GROWTH OF LESS DEVELOPED STATES AND THEREFORE GIVES HIGH PRIORITY TO NEEDS OF KEDAH, PERLIS, KELANTAN, TRENGGANU, MALACCA, SABAH AND SARAWAK.

PRIORITY ALSO GIVEN TO POORER AREAS WITHIN MORE ADVANCED STATES.

9. CALLING ON PRIVATE SECTOR FOR M\$26.8 BILLION INVESTMENT, PM ACKNOWLEDGED CRUCIAL ROLE OF PRIVATE SECTOR, SAID GOVERNMENT FULLY APPRECIATED DIFFICULTIES WHICH HAVE CONFRONTED PRIVATE SECTOR IN RECENT MONTHS, AND THAT AFTER LAUNCHING TMP, "I SHALL ALSO MEET WITH REPRESENTATIVES OF THE PRIVATE SECTOR TO CLARIFY ANY POLICY ISSUES WHICH THEY MAY WISH TO RAISE."

10. GOVERNMENT AGENCIES WILL CONTINUE UNDERTAKE NEW VENTURES AND ACQUIRE CORPORATE STOCK TO BE HELD IN TRUST FOR MALAYS. BUMIPUTRA INVESTMENT FUND (M\$200 MILLION) WILL BE SET UP TO EXPEDITE PROCESS.

11. PM SAID GOVERNMENT MACHINERY AT ALL LEVELS WILL BE STRENGTHENED AND STREAMLINED TO ADMINISTER TMP.

12. TMP PUBLIC SECTOR ALLOCATIONS, PERCENTAGE AND VALUE (M\$)AS FOLLOWS: AGRICULTURE (25.5, 4718 MILLION), COMMERCE AND INDUSTRY (9.5, 1757 MILLION), SOCIAL DEVELOPMENT (16.6, 3071 MILLION), INFRASTRUCTURE, ENVIRONMENT AND GENERAL ADMINISTRATION (36.5, 6753 MILLION, DEFENSE AND SECURITY (11.9, 2202 MILLION).

12. PM SCHEDULED TO PRESENT TMP TO PARLIAMENT ON JULY 19, AT WHICH TIME COPIES WILL BE AVAILABLE TO PUBLIC.
UNDERHILL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC GROWTH, INDUSTRIAL DEVELOPMENT, AGRICULTURAL DEVELOPMENT, ECONOMIC PROGRAMS, INVESTMENT PROGRAMS, RURAL AREAS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KUALA03985
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760268-1098
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760765/aaaacewh.tel
Line Count: 144
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: schaeafaj
Review Comment: n/a
Review Content Flags:
Review Date: 27 FEB 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 FEB 2004 by ThomasVJ>; APPROVED <23 SEP 2004 by schaeafaj>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRIME MINISTER OUTLINES PARAMETERS OF THIRD MALAYSIA PLAN 1976-80
TAGS: ECON, EINV, EGEN, MY, (HUSSEIN ONN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006